

EXHIBIT

INTRODUCTION

Respondent Tahnya E. Ballard was an unsuccessful candidate for a seat on the Board of Directors for the Sacramento Municipal Utility District (“SMUD”) during the election that took place on November 7, 2000. Respondent Ratepayers for Tahnya Ballard (the “Committee”) was Respondent Ballard’s controlled committee. At all times relevant to this matter, Respondent Patricia Austin was the treasurer of Respondent Committee.

For the purposes of this Stipulation, Respondents’ violations of the Political Reform Act (the “Act”) ¹ are stated as follows:

COUNT 1: Respondents Tahnya E. Ballard, Ratepayers for Tahnya Ballard, and Patricia Austin failed to file a semi-annual campaign statement for the reporting period October 22, 2000 through December 31, 2000, by the January 31, 2001 due date, in violation of section 84200, subdivision (a) of the Government Code.

COUNT 2: Respondents Tahnya E. Ballard, Ratepayers for Tahnya Ballard, and Patricia Austin failed to file a semi-annual campaign statement for the reporting period January 1, 2001 through June 30, 2001, by the July 31, 2001 due date, in violation of section 84200, subdivision (a) of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited.

In furtherance of this purpose of disclosure, section 84200, subdivision (a) requires candidates and their controlled committees to file semi-annual campaign statements each year, not later than July 31, for the reporting period ending June 30, and not later than January 31, for the reporting period ending December 31.

Section 82013, subdivision (a), defines a “committee” as any person or combination of persons who directly or indirectly receives contributions totaling one thousand dollars (\$1,000)

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

or more in a calendar year. Section 82016 defines a “controlled committee” as a committee that is controlled directly or indirectly by a candidate or acts jointly with the candidate in connection with the making of expenditures. That same section declares that a candidate controls a committee if the candidate, the candidate’s agent, or any other committee controlled by the candidate has a significant influence on the actions or decisions of the committee.

Under section 84213, it is the duty of every candidate to verify to the best of his or her knowledge that the campaign statements filed by his or her controlled committee are true and complete, and that the committee’s treasurer has used all reasonable diligence in the preparation of such campaign statements.

As provided in section 84100, every committee shall have a treasurer. Under section 84100 and regulation 18427, subdivision (a), it is the duty of a committee treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds and the reporting of such funds. Under sections 83116.5 and 91006, a committee’s treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee.

SUMMARY OF THE FACTS

Respondent Tahnya E. Ballard was an unsuccessful candidate for a seat on the SMUD Board of Directors during the election that took place on November 7, 2000. Respondent Ratepayers for Tahnya Ballard was Respondent Ballard’s controlled committee. Respondent Patricia Austin was the treasurer of Respondent Committee.

COUNT 1

Failure to Timely File a Semi-Annual Campaign Statement

Under section 84200, subdivision (a), Respondents were required to file a semi-annual campaign statement by January 31, 2001, disclosing campaign activity by Respondent Committee during the reporting period October 22, 2000 through December 31, 2000.

On January 10, 2001, Justine Garibay, Election Manager from the Sacramento County Voter Registration and Elections Office, sent a notice to Respondent Tahnya Ballard, advising Respondents that a semi-annual campaign statement for the reporting period ending December 31, 2000, was due by January 31, 2001. Respondents failed to file the semi-annual campaign statement by the January 31, 2001 due date.

On January 31, 2001, Respondents sent a letter to Ms. Garibay, stating that they were unable to obtain access to information they needed to complete the semi-annual campaign statement, due to a computer failure, and asked if they could file the required statement the following week.

On February 23, 2001, Ms. Garibay sent a letter to Respondent Tahnya Ballard stating that the semi-annual campaign statement, that was due by January 31, 2001, still had not been filed, and requested that Respondents file the delinquent statement within ten days. When Respondents failed to respond to this request, the matter of the delinquent filing was referred to the Fair Political Practices Commission.

On March 28, 2001, Political Reform Consultant Colleen McGee of the Enforcement Division of the Fair Political Practices Commission contacted Respondent Patricia Austin regarding the delinquent semi-annual campaign statement. Respondent Austin informed Ms. McGee that continued computer problems were still preventing Respondents from obtaining access to the information they needed to complete the statement. Ms. McGee informed Respondent Austin that Respondents needed to reconstruct the required information, and file the statement immediately.

Adding to the difficulty in filing the semi-annual campaign statement, Respondent Austin abandoned her position as treasurer, leaving Respondent Ballard to reconstruct the lost information without the assistance of the treasurer.

On April 5, 2001, Respondents filed a semi-annual campaign statement for the reporting period October 22, 2000 through December 31, 2000, disclosing contributions received in the amount of \$7,870.00, and expenditures made in the amount of \$14,008.02 during the reporting period.

By failing to file a semi-annual campaign statement for the reporting period October 22, 2000 through December 31, 2000, by January 31, 2001, Respondents violated section 84200, subdivision (a).

COUNT 2

Failure to Timely File a Semi-Annual Campaign Statement

Under section 84200, subsection (a), Respondents were required to file a semi-annual campaign statement by July 31, 2001, disclosing campaign activity by Respondent Committee during the reporting period January 1, 2001 through June 30, 2001.

Respondents did not file the semi-annual campaign statement that was due on July 31, 2001 until September 28, 2001, almost two months after the filing deadline.

On the semi-annual campaign statement filed on September 28, 2001, for the reporting period October 22, 2000 through December 31, 2000, Respondents disclosed contributions received in the amount of \$713.84 and expenditures made in the amount of \$470.50 during the reporting period.

By failing to file a semi-annual campaign statement for the reporting period January 1, 2001 through June 30, 2001, by July 31, 2001, Respondents violated section 84200, subdivision (a).

CONCLUSION

This matter consists of two counts that carry a maximum possible administrative penalty of Ten Thousand Dollars (\$10,000). The typical stipulated penalty imposed by the Commission for post-election campaign reporting violations of this kind has historically been \$1,000 - \$2,500 per violation. Respondents' violations in this case are not particularly aggravated and resulted in minimal public harm. The fact that Respondents promptly filed their campaign statements after being contacted by the Enforcement Division, justifies the agreed upon penalty of \$1,000 for each violation, for a total administrative penalty of Two Thousand Dollars (\$2,000).